

Appendix III Leveraging Guidelines For APS

The following language, drafted by GC and OP, provides additional insight into the leverage concept.

The GDA APS provides that in order “to qualify for USAID funding under this APS, an alliance must demonstrate that partners are able and willing to collectively contribute significant resources to the proposed program that are at least equal to the level of resources sought from USAID.” The purpose of this qualifier is to bring significant resources to international development issues.

The decision to fund a particular activity is partially based on the collective resources that constitute the 1:1 leveraging.

USAID traditionally uses “cost share” to ensure the commitment of pledged resources. Cost share is defined as the portion of the program costs not borne by the Federal Government. Cost share is legally binding under the cooperative agreement and might be appropriate in some instances.

In public-private alliances, there are alternative ways to demonstrate that commitment of resources. For example, a letter of intent or memorandum of understanding may be more appropriate depending upon the respective and/or collective situations of the alliance members.

The decision as to whether the collective resources will be treated as cost share and/or leveraging as pledged by letters of intent or memoranda of understanding will be discussed among the alliance members including the cognizant mission/pillar that intends to manage the activity prior to finalizing the award.

In some cases, cost share may not be appropriate at all, given the manner in which the alliance develops; in some cases, a split between binding cost share and intended-but-not-binding leverage may be appropriate; in some instances most or all of the contributions may be treated as cost share.

The GDA Secretariat requests that the GDA representative in the cognizant mission/pillar coordinate the Secretariat's review of leveraging decisions for the first few alliances established in each mission/pillar in an effort to facilitate the understanding of the leveraging qualification.

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